

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of
Thursday, July 8, 2010

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Callisto, Commissioner Meyer, and Commissioner Azar.

Minutes

The Commission approved the minutes of the Open Meeting of Friday, June 25, 2010.

6630-GF-130 – Request for Approval of Wisconsin Electric Power Company’s Integrated Risk Management Plan for Electric Energy

The Commission approved the Order to Reopen and Request for Comments and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6690-GF-108 – Wisconsin Public Service Corporation Energy Market Risk Management Policy and Plan

The Commission approved the Order to Reopen and Request for Comments and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6630-120572 – Complaint Filed by Gary Gilmore Against Wisconsin Electric Power Company (We Energies)

The Commission determined that Mr. Gary Gilmore’s request for a formal investigation of his complaint against We Energies, related to Mr. Gilmore’s claim that he should not be responsible for the back bill issued by the utility after it discovered that the gas meter was not accurately recording consumption at his residence, is without merit.

The Commission directed the Division of Water, Compliance and Consumer Affairs to draft an order consistent with its discussion.

4220-123221 – Complaint Filed by James Fitzpatrick Against Northern States Power Company – Wisconsin (Xcel Energy)

Commission Request for Additional Information Regarding Northern States Power Company’s (Wis) (Xcel Energy) Provision of Service When There is No Customer to Bill/Customer Request for Service

The Commission determined that Xcel Energy’s current practice regarding its provision of energy service when the utility has no customer to bill or customer request for service is reasonable.

The Commission directed Commission staff to send a data request to the other major investor-owned utilities as to their practices in situations where they are delivering services to an unbilled account or suspect a meter is not functioning properly.

The Commission directed the Division of Water, Compliance and Consumer Affairs to draft an order consistent with its discussion.

6680-DR-111 – Wisconsin Power and Light Company’s Petition to the Public Service Commission for Declaratory Ruling as to the Interpretation of Wis. Stat. § 196.495(3) and its Application in Conjunction with Wis. Admin. Code § PSC 112.08(1)

The Commission closed its docket regarding a petition from Wisconsin Power and Light Company for a declaratory ruling to interpret the anti-duplication statute and the Commission’s corresponding rule.

The Commission directed Commission staff to draft an order consistent with its discussion.

5-GF-191 – Quadrennial Planning Process

Phase 2 – Evaluation Issues

The Commission discussed the issues in this docket and made determinations, including the following:

1. The existing three Focus on Energy evaluation goals shall be retained. Special emphasis is to be placed on (1) documenting energy and peak savings attributable to the program; (2) documenting whether statutory goals have been met; (3) providing data needed to assess cost-effectiveness; and (4) providing on-going feedback and analysis to the program administrator. An Evaluation Working Group comprised of evaluators and other interested parties shall be established to address evaluation issues over time.
2. The maximum six-member Working Group will be advisory and consist of the following: a member of Commission staff to be appointed by the Administrator of the Gas and Energy Division to serve as chair; George Edgar (if he is willing to serve); the program administrator; the evaluation consultant; and a representative from the utilities. If two program administrators become necessary in the future (one for residential and one for business), it may be appropriate to have a member from each serve on the Working Group.
3. The Working Group shall recommend new guidelines for selecting the appropriate attribution measurement methods. The recommendations should be brought back to the Commission for review.

4. The Working Group shall also review the current application of the self-report and market data methods being used in other states and recommend changes to be implemented in Wisconsin. It shall also review evaluation plans to ensure that they meet the new evaluation framework. The recommendations should be brought back to the Commission for review.
5. The Working Group should also review the methods used to measure gross savings and recommend changes. The recommendations should be brought back to the Commission for review.
6. Net savings are appropriate in determining cost-effectiveness, to inform continual improvement of program design, and for public policy making. Gross metrics are appropriate in the context of contract goals.
7. Life cycle-savings goals for energy efficiency and renewable resource programs shall be established. First year savings shall be made available for public reporting purposes.
8. The current effective useful life approach and decay rate approach will be continued to document life-cycle savings. The Working Group shall consider alternatives to the current approach and recommend modifications. The recommendations should be brought back to the Commission for review.
9. A modified total resource cost (TRC) test at the measure and portfolio levels is appropriate. It is appropriate to continue to report results of the Expanded test at the portfolio level. A utility/administrator test at the program level should also be conducted to inform program design. Measures that do not pass the modified TRC test, but have substantial non-energy benefits, may be considered for program inclusion on a case-by-case basis, based on the Expanded test.
10. Avoided energy costs will be based on the most recent three-year historical average of locational marginal pricing and avoided capacity costs on the cost of a new peaking plant.
11. A discount rate of 2 percent will be used for benefit/cost modeling of energy efficiency programs.
12. Using a levelized carbon value of \$30 per ton for this quadrennial planning horizon strikes the appropriate balance between the market value of carbon and reflecting the need for emission reductions.

13. The cost-effectiveness of renewable resources should be determined in the same manner as energy efficiency, but public policy should dictate the extent to which renewable resources that are not cost-effective should be included in the portfolio of programs in order to meet public policy objectives. Commission staff is directed to prepare proposed criteria to be brought back to the Commission for further review.

The Commission directed Commission staff to draft a memorandum consistent with its discussion.

The Commission adjourned the meeting at 11:18 a.m.

Sandra J. Paske
Secretary to the Commission